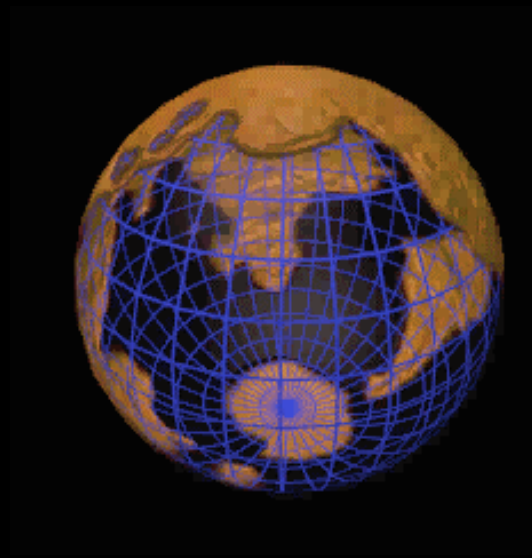
United States Customs Service

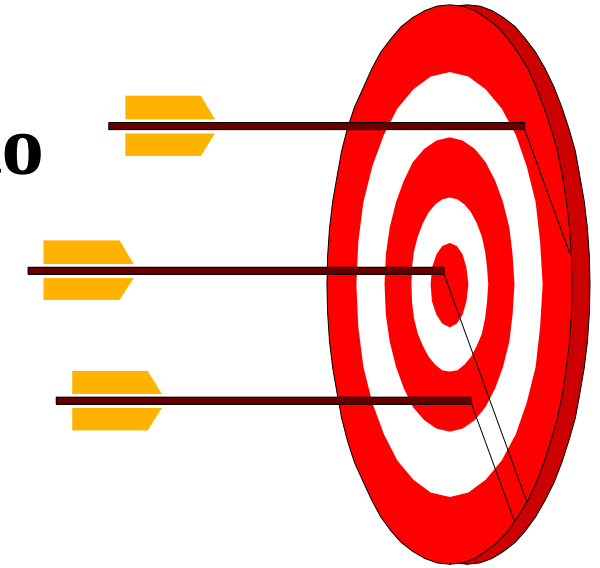


Trade Compliance

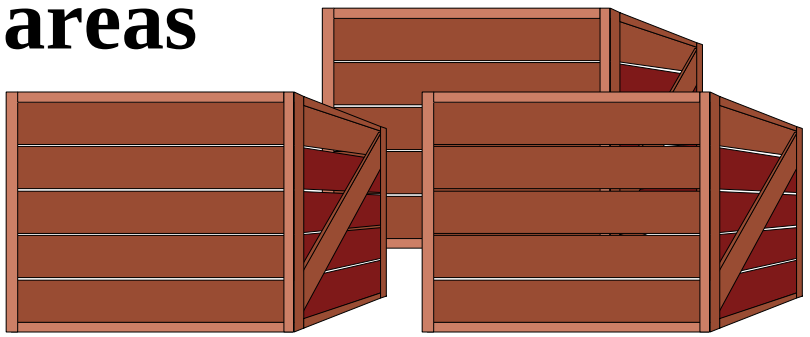
and the Risk Management Process

Our Job

- To better identify, prior to exam or review, those imports most likely to be non-compliant



- Direct our trade compliance resources to those areas

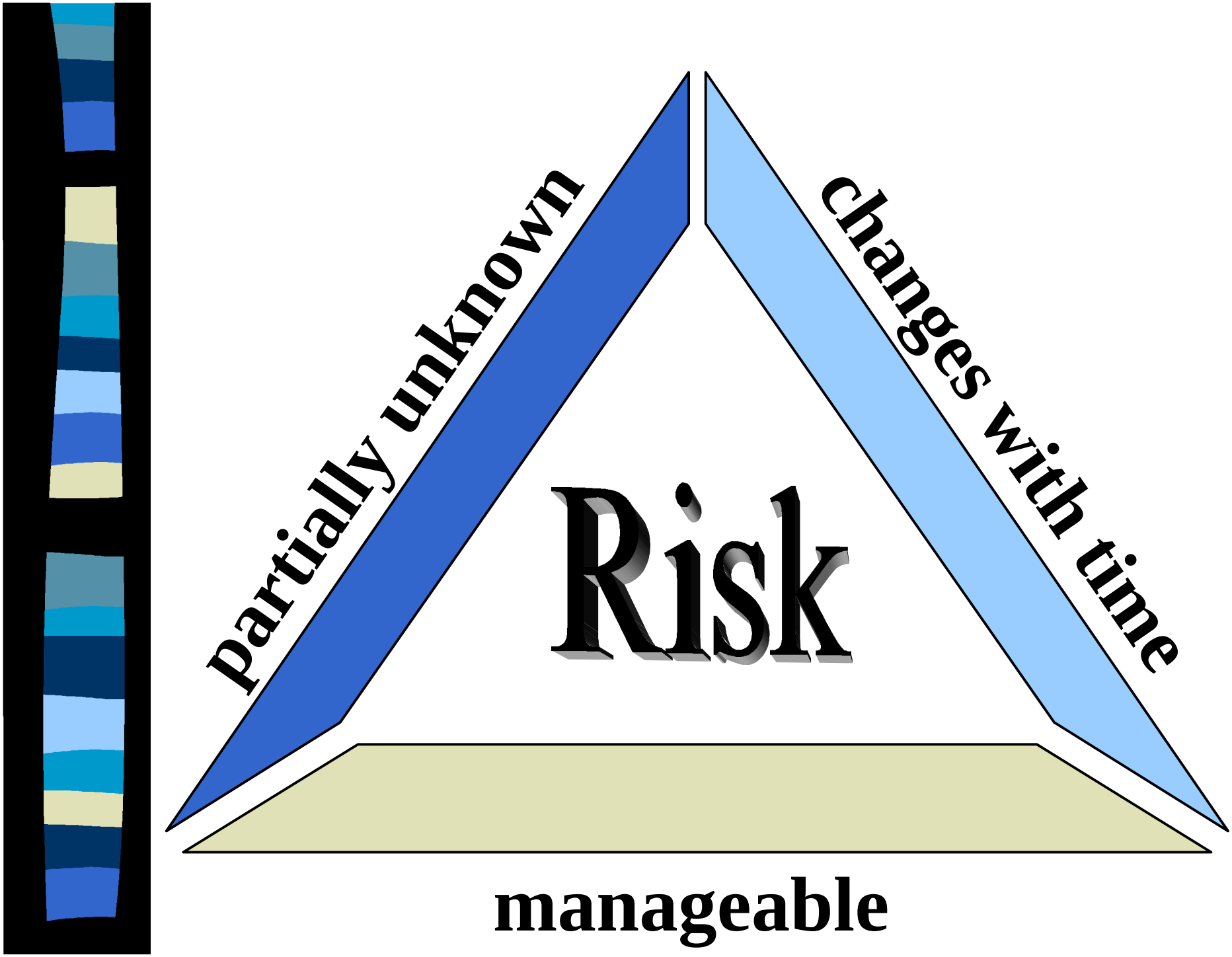


Definitions

Risk: the degree of exposure to the chance of non-compliance which would result in loss or injury to trade, industry, or the public

Definitions

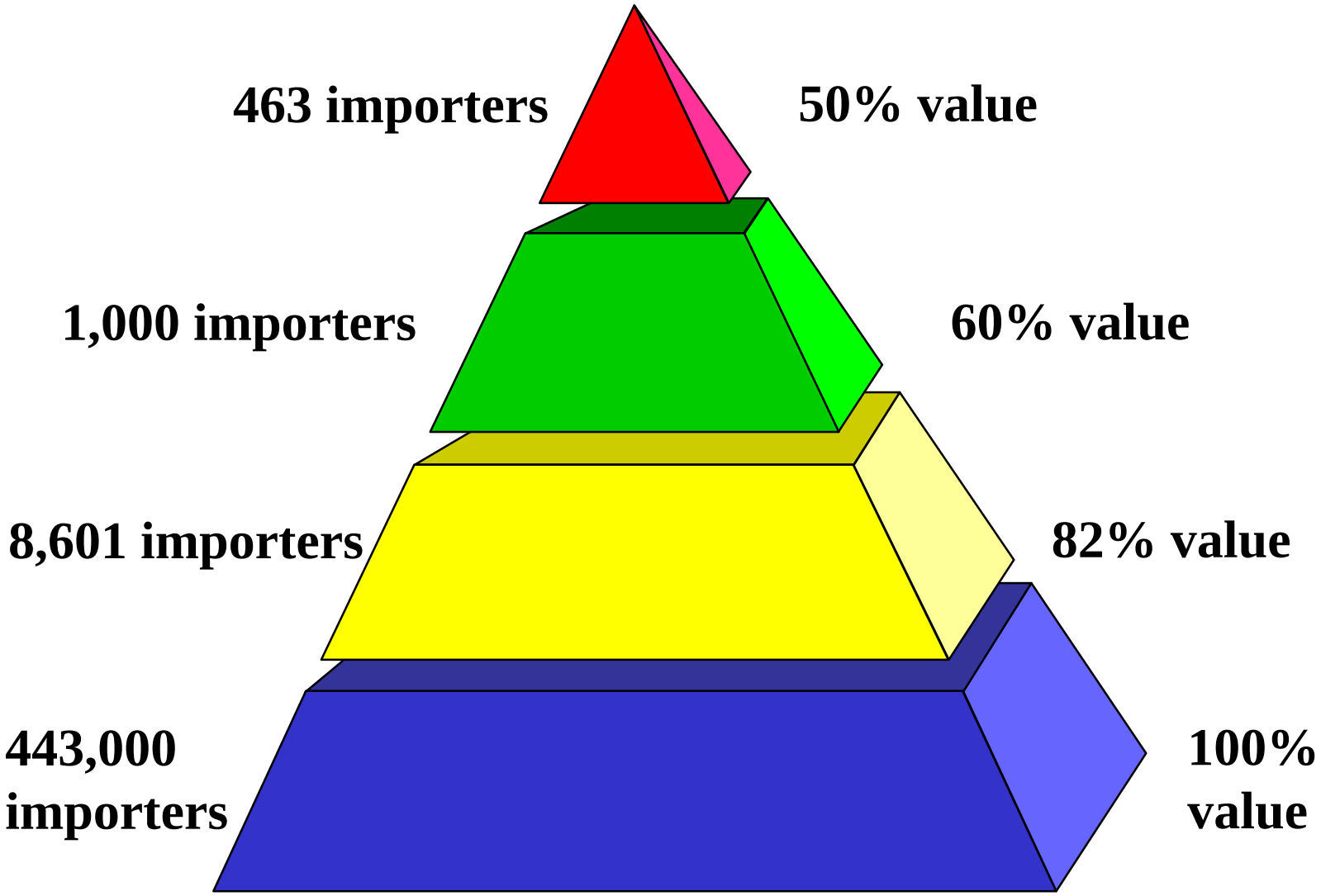
Risk Management: a proactive management technique that identifies processes for controlling risk in trade compliance


partially unknown
changes with time
Risk
manageable

Building the Foundation

- Macro data analysis
- Statistical methodology
- Primary focus industries
- Account management
- Materiality/significance
- Trade Compliance and Enforcement Plan

Account Management

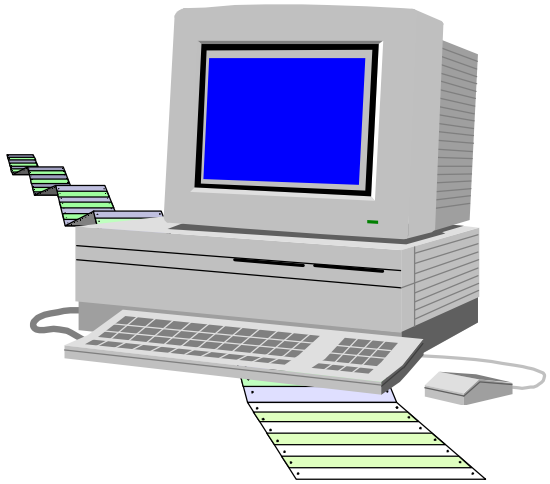


Risk Management Process

Collect Data and Information

Step One

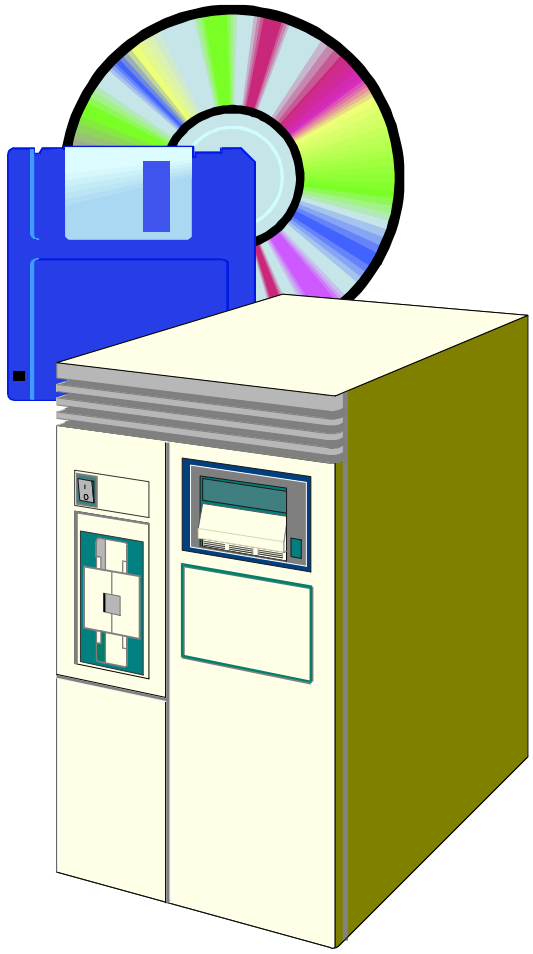
- Integrated Trade Measurement System
  - Compliance Measurement
  - Compliance Assessment
- National Criteria
- Account Management



Analyze and Assess Risk

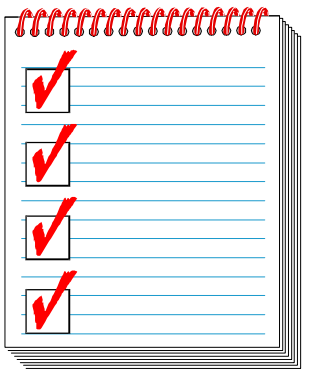
Step Two

- Automated Tools
- Significance/Materiality Definitions
- Compliance Risk Categories
- Enforce Impact Levels
- Account Management Evaluations



Prescribe Action

Step Three



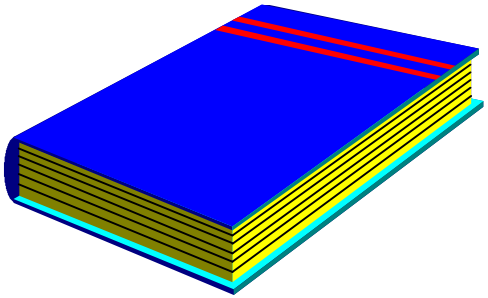
- Informed Compliance
  - Interventions
  - MARC 2000
  - Improvement Plans/Action Plans

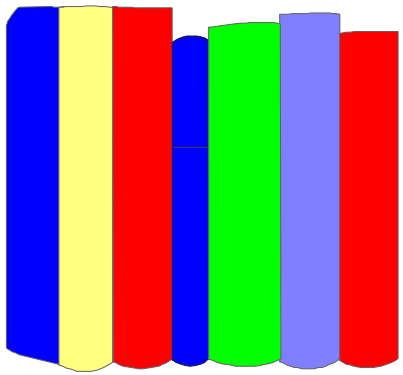
- Enforced Compliance
  - Enforcement Evaluation Teams
  - Company Enforced Compliance Process

Track and Report

Step Four

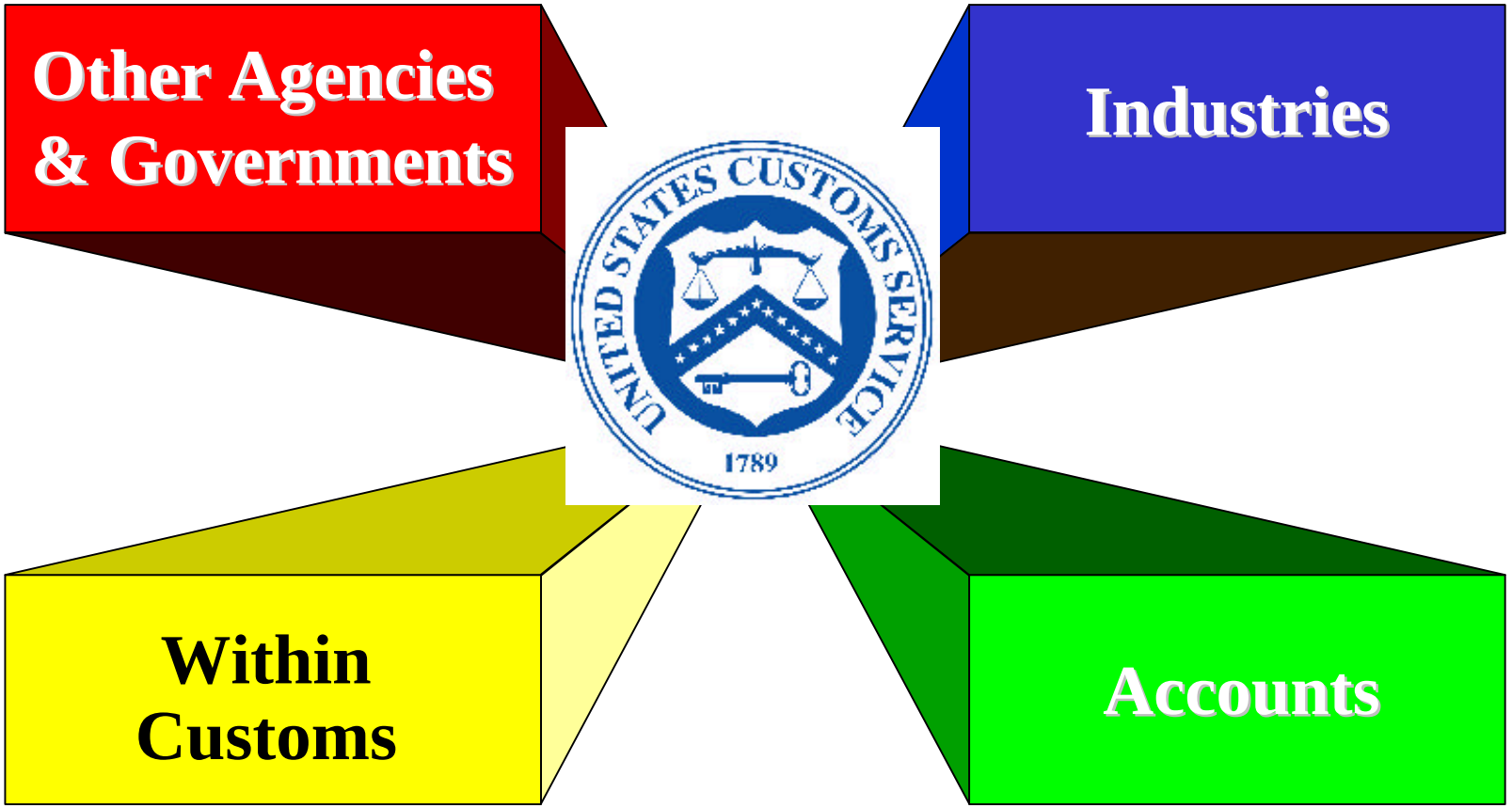
- **Trade Compliance and Enforcement Plan**
- **Report to Congress on Trade Compliance**
- **Account Management**
- **Follow-up Verifications**





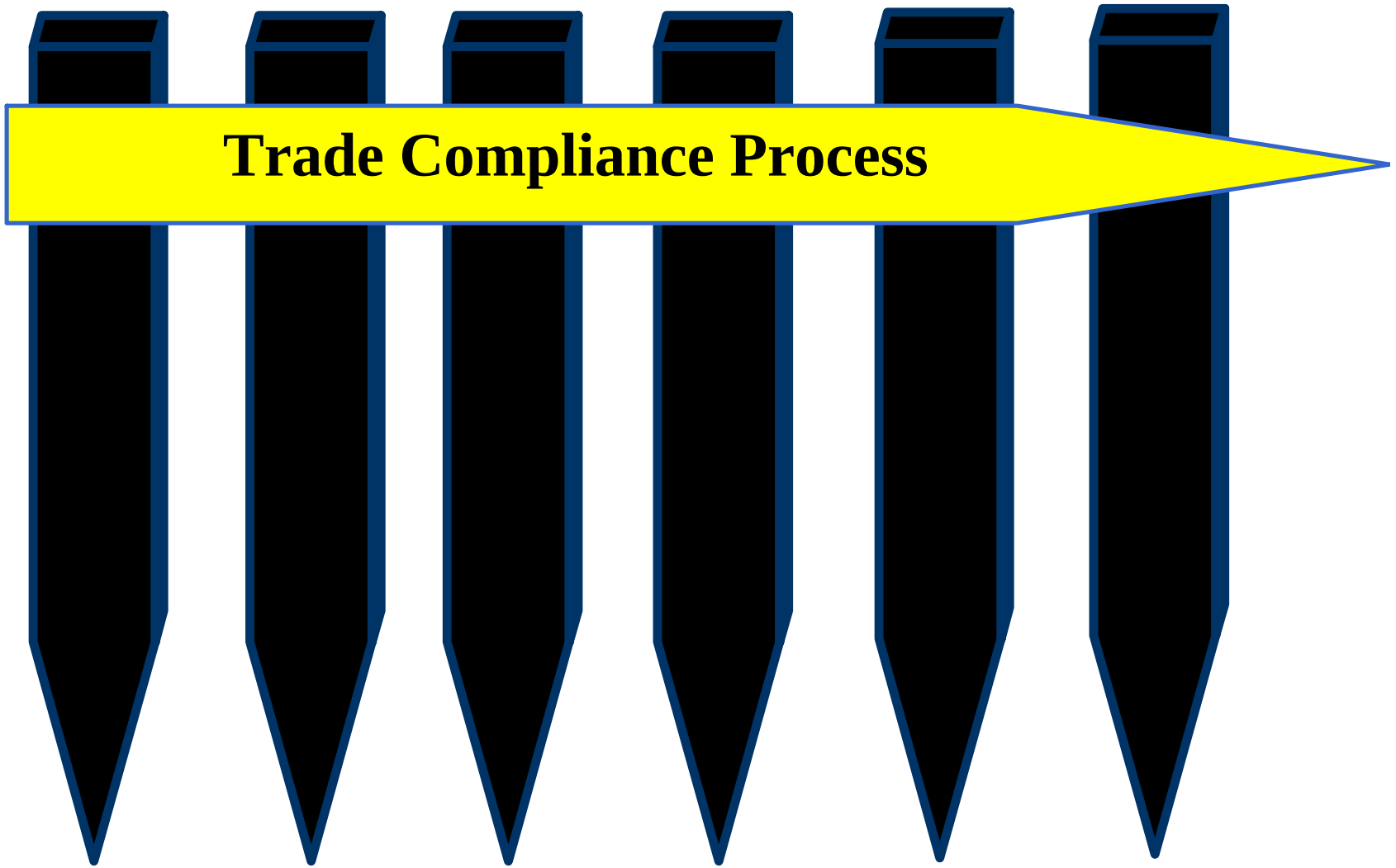
Trade Compliance Success

Partnerships



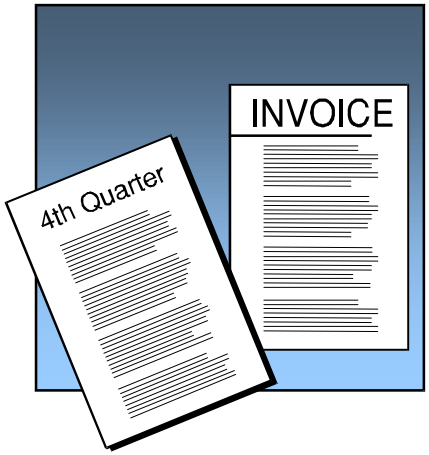
Partnerships

Within U.S. Customs



Partnerships

Accounts

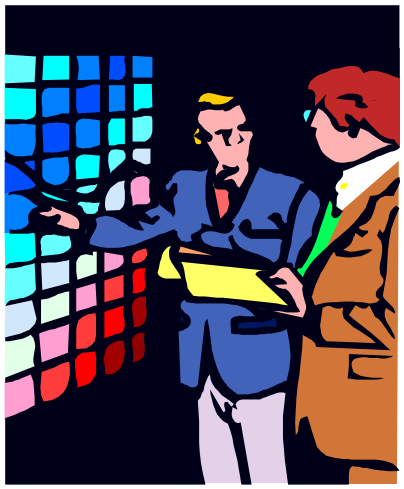


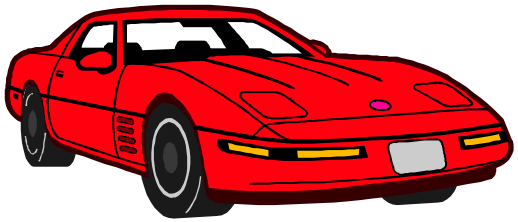
- Account Management
- Compliance Assessments
- Importer Compliance Monitoring Program
- Sharing Data
- Building New Systems

Partnerships

Industry

- Industry Roundtables
- Joint Action Plans
- Education
- Conferences

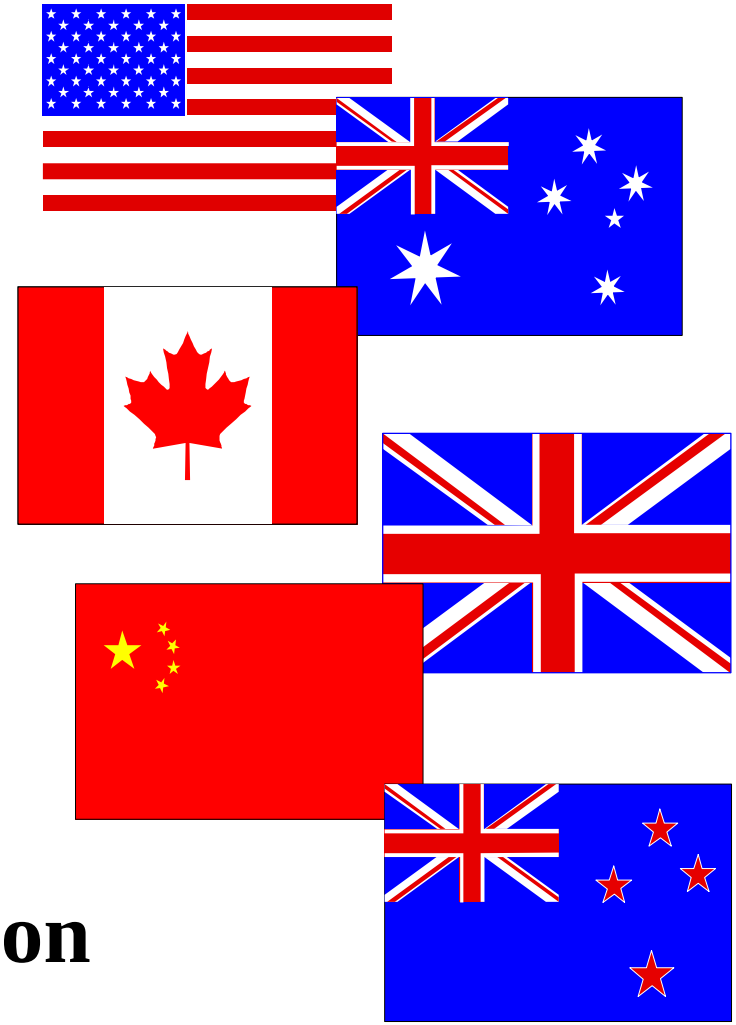




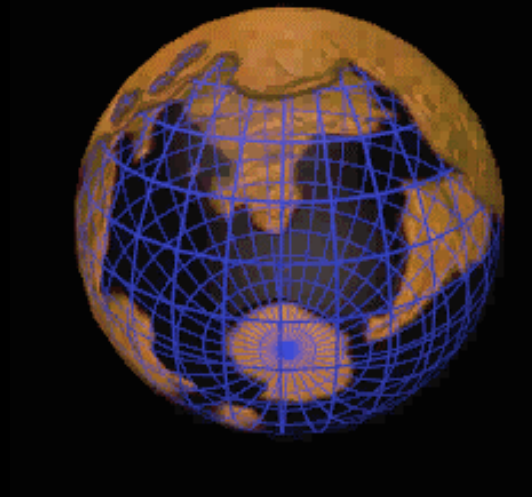
Partnerships

Other Agencies and Other Governments

- Measurement
- Resource-sharing
- Enforcement Efforts
- Data Sharing
- Best Practices/Education



United States Customs Service



Trade Compliance

and the Risk Management Process